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SUBJECT: CHILE'S MUNICIPAL ELECTIONS: CENTER-LEFT PARTY  
FOR DEMOCRACY (PPD) TO FLEX ITS MUSCLE

REF: SANTIAGO 581

¶1. (SBU) Summary. Pepe Auth, President of the center-left Party for Democracy (PPD), recently told the Ambassador that the PPD's growing strength and an outdated formula for dividing city council seats among Concertacion candidates led his party to join with the Social Radicals (PRSD) in presenting a separate slate of city council candidates for October's municipal elections, splitting the governing Concertacion into two separate lists. Auth predicted Concertacion would do reasonably well in the municipal elections, but could lose a few seats to the center-right Alianza. Looking to presidential elections in 2009, Chileans' eagerness for a more authoritative leader explains the popularity of opposition politician Sebastian Pinera. Concertacion will coalesce behind a single candidate well in advance of the December 2009 vote. End Summary.

¶2. (U) The Ambassador, accompanied by E/Pol Counselor and Poloff, met with Auth August 6 as part of an on-going effort to reach out to all major political parties in advance of the October 2008 municipal elections. Auth was accompanied by Ricardo Lagos Weber, PPD Vice President for International Affairs and son of former President Ricardo Lagos Escobar.

#### Growing PPD Strength Behind Separate Candidate Lists -----

¶3. (SBU) The PPD's decision to run its own list of city council candidates for the upcoming municipal elections was rooted in a desire to utilize its growing number of members interested in running for office; dissatisfaction with the way seats are divided among Concertacion members; and a belief that progressives could run two slates without hurting center-left parties. In recent years, PPD and the Socialists have been gaining strength at the expense of the Christian Democrats, which were the original backbone of the Concertacion coalition, Auth explained. Thus, the PPD believes the standard formula for distributing Concertacion candidates on, for example, a six member city council ballot--three Christian Democrats, one PPD, one Socialist, and one Social Radical--is now out of step with current levels of partisan support. In addition, the PPD now has a larger base of potential candidates for political office than in the past, and would like to be able to maximize the number competing for political office in the October 2008 municipal elections.

¶4. (SBU) Lagos Weber asserted that the PPD's decision to run a separate list of candidates for upcoming municipal elections was "not as foolish as some of our friends say." Lagos and Auth maintain that two lists of center-left city council candidates (one put forward by PPD and the Social Radicals, the other by the Socialists and Christian Democrats) can compete with each other for support from progressive voters without advantaging the center-right Alianza coalition. However, when it comes to mayoral races, where there is only one winner, putting forward two Concertacion candidates does threaten to split the

progressive vote to the advantage of Alianza, Auth noted. Thus, PPD will join with other Concertacion parties in presenting a single mayoral candidate for each municipality. (Note: Recent press reports quote Auth as saying that running two Concertacion lists for the 2009 parliamentary election, which operates under a binomial electoral system, would be "suicide" and that the PPD will cooperate with other Concertacion members in developing one slate of candidates. End Note.)

#### Municipal Elections: Auth Predicts Limited Success for Progressives

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15. (SBU) Auth predicted that Concertacion will do reasonably well in the municipal elections, but may lose seats and will not match its better-than-expected 2004 municipal election performance. (Note: In 2004, polls showed Concertacion and Alianza running neck and neck in mayoral races, and some observers predicted that Alianza would win a majority of mayoral posts for the first time. Instead, Concertacion and Alianza both lost some seats to popular candidates who decided to run independent campaigns. Nonetheless, Concertacion remained a substantial six points ahead of Alianza, to nearly everyone's surprise. End Note.) While widespread frustration with Transantiago and what Auth described as popular belief that the right will make a very strong showing in the municipal elections might suggest otherwise, the PPD leader insisted that Concertacion will be able to hold its own. Auth noted that metropolitan Santiago residents hold local authorities--both Concertacion and Alianza--responsible for the Transantiago debacle because it is seen as a municipal issue. Thus, the deeply unpopular

reform is unlikely to have a major partisan impact on municipal elections.

16. (SBU) At the same time, succeeding in electoral politics is largely a matter of managing expectations, Auth observed, and the right is playing this game well by saying that they expect only to maintain their city council and mayoral seats. Thus, if they wind up with a net gain in municipal positions, a real possibility in Auth's assessment, they will be seen as triumphing over Concertacion and may be able to put a better spin on their results. However, Auth maintained that, in real terms, the more critical issue is not the absolute number of mayoral races won by each coalition but whether or not the right will be able to maintain control of key Santiago-area municipalities, like the City of Santiago, as well as lower middle class neighborhoods such as La Florida and Recoleta.

#### Presidential Race: Chileans Want Political Cooperation, Authoritative Leaders

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17. (SBU) Turning to Chile's presidential elections in 2009, Auth noted Alianza has a real challenge in providing a constructive alternative to Concertacion initiatives without seeming obstructionist. Chilean voters do not like conflict, he opined, and so merely opposing Bachelet's proposals would backfire. At the same time, Auth stated that the Transantiago controversy has had a real impact on Bachelet's popularity. Whereas other government policy changes affect people at specific times--e.g. at retirement, upon admission to a hospital, etc.--many voters are reminded afresh each day of Santiago's public transportation woes as they struggle to get to work. This explains why Bachelet is regarded more favorably by rural Chileans (48% approval rating according to a recent poll) than by Santiago residents (35% approval rating).

18. (SBU) Auth also predicted the current atmosphere of political uncertainty will lead Chileans to choose presidential candidates who are authoritative and decisive, in contrast to Bachelet's consultative leadership style. This rationale explains why opposition presidential contender Sebastian Pinera is doing well in polls and suggests that

former president Eduardo Frei is likely to be the Christian Democrats' strongest choice, the PPD leader said. Lagos Weber added that Concertacion might also loosen the purse strings--a bring home the bacon strategy--but only if forced to do so by rightist populist rhetoric.

¶9. (SBU) While the field of potential Concertacion presidential contenders is quite open at the moment, Auth said he expected the center-left coalition to coalesce around a single candidate. Poll results are likely to be decisive in determining who Concertacion's candidate will be, the PPD head asserted, reminding Emboffs of presidential candidate Soledad Alvear's decision in 2005 to drop out of the presidential race when Bachelet gained a substantial lead in public surveys.

Comment

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¶10. (SBU) Auth is known for his political insight, having accurately predicted in both 1999 and 2005 that the presidential contests would end in run-off elections. He now seems to have applied the same keen analysis to strategizing the best way for his party to gain mayoral seats and greater political prominence without advantaging Alianza or overly alienating his Concertacion allies. Auth's observation that Chileans are yearning for a strong president is consistent both with common criticisms of Bachelet and popular sentiments toward her potential successors. Lagos Weber's observations regarding doing whatever it takes to win--including increasing public spending--may also prove an ace in the hole. End Comment.  
SIMONS